

\$50,000 a year was paying \$12,626 in Federal income taxes. They were paying 25 cents out of every dollar they earned. Thanks to Ronald Reagan, today they are paying \$6,242, or 12.5 percent.

The Democrats think that was terrible. This is the worst tax cut since Ronald Reagan. They must have liked the tax burden under Jimmy Carter. They must have liked the 21-percent interest rates under Jimmy Carter. They must have liked the 13 percent inflation rate under Jimmy Carter. But we had sense enough to end that policy and let working people keep more of what they earn.

Final point: Alan Greenspan's statements have become similar to the Bible—nobody reads them very closely, and everybody quotes them. They quote him on both sides of the argument.

I would like to let him speak for himself. I would like to do it in the context of what the President has proposed.

Alan Greenspan said:

If you find that as a consequence of those surpluses they tend to be spent, then I would be more in the camp of cutting taxes, because the least desirable is using those surpluses for expanding outlays.

When the President is proposing increasing spending by \$1 trillion over the next 10 years, don't we find ourselves in a position where the surplus is being spent?

The answer is obviously, yes. It is being spent just as fast as it can be spent.

Then Alan Greenspan is in favor of giving part of it back—in this case a very conservative amount, 25 cents out of every dollar we have in surplus.

I think we should do it. I think it is the responsible thing to do. I believe we will do it.

If this is taking us back to the terrible days of lowering the tax burden, I am ready to go back.

Mrs. MURRAY. Mr. President, I rise today to express my concerns about the tax plan proposed by my Republican colleagues.

When I first came to the Senate in 1993, there were projected deficits as far as the eye could see. The United States had not seen a budget surplus in a quarter century. The American people were demanding change after more than a decade of Republicans in the White House, and Republicans in control of this body from 1980 to 1986. We knew we had to make some unpopular decisions to put our fiscal house in order. And working with the Clinton administration, the 103rd Congress made those tough decisions.

We reduced the tax burden for the middle class and we restored some degree of tax fairness to our system. We put the Federal Government on the road of less spending, while maintaining commitments to core priorities. Some of my colleagues were defeated in 1994 because they did the right thing for the future of America.

In 1997, Congress and the administration reached a bipartisan agreement to

balance the budget and provide responsible tax relief to the American people. At that time, we had no idea we would achieve an on-budget surplus so quickly. Wise fiscal and monetary policies and a strong economy have provided a projected surplus that gives us hope we can solve some of the biggest challenges of our time. It is an exciting time to be in the Congress.

But in our excitement about the projected surplus, I am afraid we are acting in haste. And in doing so, we could undermine the hard work we have done to get to this point.

Let me be clear: I support responsible tax relief for the American people.

I support further reform of our nation's estate tax laws so that the small timberland owner in Mason County, Washington, and the small business owner who sells farm equipment in Moses Lake, Washington, can pass their land and livelihoods on to the next generation.

I support deductibility of health insurance costs so the self-employed owner of a technology start-up company in Seattle can afford health care.

I support reducing the so-called "marriage penalty" so that a young married couple in Spokane has more money to purchase their first home or begin saving for retirement.

I support expanding the low income housing tax credit so that we increase the availability of affordable housing for low- and middle-income families, especially in rural and urban areas.

I support the creation of Farm and Ranch Risk Management Accounts so the apple grower in the Yakima Valley will have one more tool to manage the risk inherent in agriculture.

I support the extension of the research and experimentation tax credit so Washington state high-tech and biotech companies have the incentive and the ability to invest in their long-term future and the future of our country.

I support reforming the individual alternative minimum tax so that families all across Washington state can continue to enjoy the full benefits of the HOPE scholarship and the per child tax credit that we passed in 1997.

In principle, I support all of these ideas, and many others that have been proposed. However, we cannot afford to make tax cuts without considering and carefully weighing the consequences. The American people deserve a responsible tax cut. They also deserve an honest debate from this Congress about how the Republican tax bill would affect their lives.

The majority's tax plan is based on an assumption. An assumption about what future Presidents and Congresses will do. They assume we will have a projected \$964 billion non-Social Security surplus through fiscal year 2009. My colleagues propose to use \$792 billion of that projected surplus over the next ten years to reduce taxes. They also assume that three-quarters of the projected surplus will come from unspecified reductions in spending by future Congresses.

To all the citizens watching around the country today, let me explain. The 1997 balanced budget agreement called for strict spending caps in discretionary, nondefense spending in fiscal years 2000, 2001, and 2002. In other words, the 17 percent of the Federal budget that funds all Government activities besides Social Security, Medicare, Medicaid, and interest on the \$5.5 trillion national debt is subject to cuts. That 17 percent funds the federal role in improving education, giving greater access to Head Start, preventing crime, protecting the environment, providing health care to veterans, investing in urban and rural communities, maintaining national parks, creating affordable housing, reducing traffic congestion through highways and mass transit, and many other important functions.

The projected surplus uses as its baseline spending targets established for fiscal year 2000. Right now, the Senate Appropriations Committee, of which I am a member, is struggling to move forward with bills. Even some of my Republican colleagues have indicated they cannot write appropriations bills within the current spending caps. For example, both the VA, HUD, and Independent Agencies spending bill and the Labor, Health and Human Services, and Education spending bill have not been reported by their respective subcommittee because of the funding difficulties involved.

The American people need to understand that this tax cut will mean massive, unprecedented cuts in important and popular domestic priorities.

If we assume that Congress will meet the discretionary spending caps outlined in the Republican plan, then non-defense discretionary programs would have to be cut by 23 percent by 2009.

What does this mean for Washington state?

It means 23 percent less for Hanford cleanup. It means 23 percent less for salmon recovery. It means 23 percent less for community police officers. It means 23 percent less for highway improvements and mass transit to meet our growing infrastructure demands. It means 23 percent less for Head Start, which serves more than 9,000 children in Washington state. It means 23 percent less for reducing class size. It means 23 percent less for our VA hospitals. It means 23 percent less for the management of Mt. Rainer National Park. But reductions in discretionary spending is far from the only concern with this tax bill.

This bill jeopardizes our ability to reduce our national debt. All of my colleagues have worked hard to get our fiscal house in order. We have successfully balanced the budget, provided reasonable tax relief, and contributed to the strong economic environment we have today. One of our priorities must be continuing to reduce publicly held debt. By doing so we can decrease the interest payments on the debt that currently claim 15 percent of the federal budget. And reducing the debt will